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REPORTS: No

HEARINGS: No

NEWSPAPER ARTICLES: Yes

"Clean water projects get financing from state," The Star-Ledger, 9-1-10

"Clean water projects get loan help," The Record, 9-1-10

"Gov. Chris Christie, in Mount Olive, NJ, OKs water, sewer loans," Daily Record, 9-1-10

"Christie signs water projects legislation," The Press of Atlantic City, 9-1-10

"New Jersey Governor Signs Water Bill," The Wall Street Journal, 9-1-10

"P'burg to tap \$14.8M for water programs," The Express-Times, 9-1-10

"Governor Christie Signs Legislation Designed to Protect NJ Drinking Water," New Jersey 101.5FM, 9-1-10

"Christie takes action to improve N.J. water quality and sewerage treatment," NewJerseyNewsroom.com, 9-1-10

"GCUA gets \$2.3M for sludge management," Gloucester County Times, 9-1-10

LAW/RWH

ASSEMBLY, No. 2929

STATE OF NEW JERSEY 214th LEGISLATURE

INTRODUCED JUNE 14, 2010

Sponsored by:

Assemblyman JOHN F. MCKEON

District 27 (Essex)

Assemblyman REED GUSCIORA

District 15 (Mercer)

Assemblyman PETER J. BARNES, III

District 18 (Middlesex)

Assemblyman CHARLES MAINOR

District 31 (Hudson)

Co-Sponsored by:

Senator B.Smith

SYNOPSIS

Makes certain changes to the New Jersey Environmental Infrastructure Trust Financing Program.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 6/29/2010)

1 AN ACT concerning environmental infrastructure projects, and
2 amending P.L.1985, c.334.

3

4 **BE IT ENACTED** by the Senate and General Assembly of the State
5 of New Jersey:

6

7 1. Section 6 of P.L.1985, c.334, (C.58:11B-6) is amended to
8 read as follows:

9 6. a. Except as may be otherwise expressly provided in the
10 provisions of P.L.1985, c.334 (C.58:11B-1 et seq.) or P.L.1997,
11 c.224 (C.58:11B-10.1 et al.), the trust may from time to time issue
12 its bonds, notes or other obligations in any principal amounts as in
13 the judgment of the trust shall be necessary to provide sufficient
14 funds for any of its corporate purposes, including the payment,
15 funding or refunding of the principal of, or interest or redemption
16 premiums on, any bonds, notes or other obligations issued by it,
17 whether the bonds, notes or other obligations or the interest or
18 redemption premiums thereon to be funded or refunded have or
19 have not become due, the establishment or increase of reserves or
20 other funds to secure or to pay the bonds, notes or other obligations
21 or interest thereon and all other costs or expenses of the trust
22 incident to and necessary to carry out its corporate purposes and
23 powers.

24 b. Whether or not the bonds, notes or other obligations of the
25 trust are of a form and character as to be negotiable instruments
26 under the terms of Title 12A of the New Jersey Statutes, the bonds,
27 notes and other obligations are made negotiable instruments within
28 the meaning of and for the purposes of Title 12A of the New Jersey
29 Statutes, subject only to the provisions of the bonds, notes and other
30 obligations for registration.

31 c. Bonds, notes or other obligations of the trust shall be
32 authorized by a resolution or resolutions of the trust and may be
33 issued in one or more series and shall bear any date or dates, mature
34 at any time or times, bear interest at any rate or rates of interest per
35 annum, be in any denomination or denominations, be in any form,
36 either coupon, registered or book entry, carry any conversion or
37 registration privileges, have any rank or priority, be executed in any
38 manner, be payable in any coin or currency of the United States
39 which at the time of payment is legal tender for the payment of
40 public and private debts, at any place or places within or without
41 the State, and be subject to any terms of redemption by the trust or
42 the holders thereof, with or without premium, as the resolution or
43 resolutions may provide. A resolution of the trust authorizing the
44 issuance of bonds, notes or other obligations may provide that the
45 bonds, notes or other obligations be secured by a trust indenture

EXPLANATION – Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

1 between the trust and a trustee, vesting in the trustee any property,
2 rights, powers and duties in trust consistent with the provisions of
3 P.L.1985, c.334 (C.58:11B-1 et seq.) or P.L.1997, c.224 (C.58:11B-
4 10.1 et al.) as the trust may determine.

5 d. Bonds, notes or other obligations of the trust may be sold at
6 any price or prices and in any manner as the trust may determine.
7 Each bond, note or other obligation shall mature and be paid not
8 later than 20 years from the effective date thereof, or the certified
9 useful life of the project or projects to be financed by the bonds,
10 whichever is less.

11 All bonds of the trust shall be sold at such price or prices and in
12 such manner as the trust shall determine, after notice of sale, a
13 summary of which shall be published at least once in at least three
14 newspapers published in the State of New Jersey and at least once
15 in a publication carrying municipal bond notices and devoted
16 primarily to financial news published in New Jersey or the city of
17 New York, the first summary notice to be at least five days prior to
18 the day of bidding. The notice of sale may contain a provision to the
19 effect that any or all bids made in pursuance thereof may be
20 rejected. In the event of such rejection or of failure to receive any
21 acceptable bid, the trust, at any time within 60 days from the date of
22 such advertised sale, may sell such bonds at private sale upon terms
23 not less favorable to the State than the terms offered by any rejected
24 bid. The trust may sell all or part of the bonds of any series as
25 issued to any State fund or to the federal government or any agency
26 thereof, at private sale, without advertisement.

27 e. Bonds, notes or other obligations of the trust may be issued
28 under the provisions of P.L.1985, c.334 (C.58:11B-1 et seq.) or
29 P.L.1997, c.224 (C.58:11B-10.1 et al.) without obtaining the
30 consent of any department, division, board, bureau or agency of the
31 State, and without any other proceedings or the happening of any
32 other conditions or things, other than those consents, proceedings,
33 conditions or things which are specifically required by P.L.1985,
34 c.334 (C.58:11B-1 et seq.) or P.L.1997, c.224 (C.58:11B-10.1 et
35 al.).

36 f. Bonds, notes or other obligations of the trust issued under
37 the provisions of P.L.1985, c.334 (C.58:11B-1 et seq.) or P.L.1997,
38 c.224 (C.58:11B-10.1 et al.) shall not be a debt or liability of the
39 State or of any political subdivision thereof other than the trust and
40 shall not create or constitute any indebtedness, liability or
41 obligation of the State or any political subdivision, but all these
42 bonds, notes and other obligations, unless funded or refunded by
43 bonds, notes or other obligations, shall be payable solely from
44 revenues or funds pledged or available for their payment as
45 authorized in P.L.1985, c.334 (C.58:11B-1 et seq.) or P.L.1997,
46 c.224 (C.58:11B-10.1 et al.). Each bond, note and obligation shall
47 contain on its face a statement to the effect that the trust is obligated
48 to pay the principal thereof or the interest thereon only from its

1 revenues, receipts or funds pledged or available for their payment
2 as authorized in P.L.1985, c.334 (C.58:11B-1 et seq.) or P.L.1997,
3 c.224 (C.58:11B-10.1 et al.), and that neither the State, nor any
4 political subdivision thereof, is obligated to pay the principal or
5 interest and that neither the faith and credit nor the taxing power of
6 the State, or any political subdivision thereof, is pledged to the
7 payment of the principal of or the interest on the bonds, notes or
8 other obligations.

9 g. The aggregate principal amount of bonds, notes or other
10 obligations, including subordinated indebtedness of the trust, shall
11 not exceed ~~[\$2,700,000,000]~~ \$2,800,000,000. In computing the
12 foregoing limitations there shall be excluded all the bonds, notes or
13 other obligations, including subordinated indebtedness of the trust,
14 which shall be issued for refunding purposes, whenever the
15 refunding shall be determined to result in a savings.

16 (1) Upon the decision by the trust to issue refunding bonds,
17 except for current refunding, and prior to the sale of those bonds,
18 the trust shall transmit to the Joint Budget Oversight Committee, or
19 its successor, a report that a decision has been made, reciting the
20 basis on which the decision was made, including an estimate of the
21 debt service savings to be achieved and the calculations upon which
22 the trust relied when making the decision to issue refunding bonds.
23 The report shall also disclose the intent of the trust to issue and sell
24 the refunding bonds at public or private sale and the reasons
25 therefor.

26 (2) The Joint Budget Oversight Committee or its successor shall
27 have the authority to approve or disapprove the sales of refunding
28 bonds as included in each report submitted in accordance with
29 paragraph (1) of this subsection. The committee shall notify the
30 trust in writing of the approval or disapproval within 30 days of
31 receipt of the report. Should the committee not act within 30 days
32 of receipt of the report, the trust may proceed with the sale of the
33 refunding bonds, provided that the sale of refunding bonds shall
34 realize not less than 3.00% net present value debt service savings.

35 (3) No refunding bonds shall be issued unless the report has
36 been submitted to and approved by the Joint Budget Oversight
37 Committee or its successor as set forth in paragraphs (1) and (2) of
38 this subsection.

39 (4) Within 30 days after the sale of the refunding bonds, the
40 trust shall notify the committee of the result of that sale, including
41 the prices and terms, conditions and regulations concerning the
42 refunding bonds, the actual amount of debt service savings to be
43 realized as a result of the sale of refunding bonds, and the intended
44 use of the proceeds from the sale of those bonds.

45 (5) The committee shall review all information and reports
46 submitted in accordance with this subsection and may, on its own
47 initiative, make observations to the trust, or to the Legislature, or
48 both, as it deems appropriate.

1 h. Each issue of bonds, notes or other obligations of the trust
2 may, if it is determined by the trust, be general obligations thereof
3 payable out of any revenues, receipts or funds of the trust, or
4 special obligations thereof payable out of particular revenues,
5 receipts or funds, subject only to any agreements with the holders of
6 bonds, notes or other obligations, and may be secured by one or
7 more of the following:

8 (1) Pledge of revenues and other receipts to be derived from the
9 payment of the interest on and principal of notes, bonds or other
10 obligations issued to the trust by one or more local government
11 units, and any other payment made to the trust pursuant to
12 agreements with any local government units, or a pledge or
13 assignment of any notes, bonds or other obligations of any local
14 government unit and the rights and interest of the trust therein;

15 (2) Pledge of rentals, receipts and other revenues to be derived
16 from leases or other contractual arrangements with any person or
17 entity, public or private, including one or more local government
18 units, or a pledge or assignment of those leases or other contractual
19 arrangements and the rights and interest of the trust therein;

20 (3) Pledge of all moneys, funds, accounts, securities and other
21 funds, including the proceeds of the bonds, notes or other
22 obligations;

23 (4) Pledge of the receipts to be derived from the payments of
24 State aid, payable to the trust pursuant to section 12 of P.L.1985,
25 c.334 (C.58:11B-12);

26 (5) A mortgage on all or any part of the property, real or
27 personal, of the trust then owned or thereafter to be acquired, or a
28 pledge or assignment of mortgages made to the trust by any person
29 or entity, public or private, including one or more local government
30 units and the rights and interest of the trust therein.

31 i. The trust shall not issue any bonds, notes or other
32 obligations, or otherwise incur any additional indebtedness, on or
33 after **【November 5, 2029】** June 30, 2031.

34 j. (Deleted by amendment, P.L.1996, c.88).
35 (cf: P.L.2009, c.103, s.3)

36

37 2. Section 9 of P.L.1985, c.334 (C.58:11B-9) is amended to read
38 as follows:

39 9. 9. a. (1) The trust may make and contract to make loans to
40 local government units, or to a local government unit on behalf of
41 another local government unit, in accordance with and subject to the
42 provisions of P.L.1985, c.334 (C.58:11B-1 et seq.) or P.L.1997,
43 c.224 (C.58:11B-10.1 et al.) to finance the cost of any wastewater
44 treatment system project or water supply project, which the local
45 government unit may lawfully undertake or acquire and for which
46 the local government unit is authorized by law to borrow money.

47 (2) The trust may make and contract to make loans to public
48 water utilities, or to any other person or local government unit on

1 behalf of a public water utility, in accordance with and subject to
2 the provisions of P.L.1985, c.334 (C.58:11B-1 et seq.) or P.L.1997,
3 c.224 (C.58:11B-10.1 et al.) to finance the cost of any water supply
4 project, which the public water utility may lawfully undertake or
5 acquire.

6 (3) The trust may make and contract to make loans to private
7 persons other than local government units, or to any other person or
8 local government unit on behalf of a private person, in accordance
9 with and subject to the provisions of P.L.1985, c.334 (C.58:11B-1
10 et seq.) or P.L.1997, c.224 (C.58:11B-10.1 et al.) to finance the cost
11 of stormwater management systems.

12 The loans may be made subject to those terms and conditions as
13 the trust shall determine to be consistent with the purposes thereof.
14 Each loan by the trust and the terms and conditions thereof shall be
15 subject to approval by the State Treasurer, and the trust shall make
16 available to the State Treasurer all information, statistical data and
17 reports of independent consultants or experts as the State Treasurer
18 shall deem necessary in order to evaluate the loan. Each loan to a
19 local government unit, public water utility or any other person shall
20 be evidenced by notes, bonds or other obligations thereof issued to
21 the trust. In the case of each local government unit, notes and
22 bonds to be issued to the trust by the local government unit (1) shall
23 be authorized and issued as provided by law for the issuance of
24 notes and bonds by the local government unit, (2) shall be approved
25 by the Local Finance Board in the Division of Local Government
26 Services in the Department of Community Affairs, and (3)
27 notwithstanding the provisions of N.J.S.40A:2-27, N.J.S.40A:2-28
28 and N.J.S.40A:2-29 or any other provisions of law to the contrary,
29 may be sold at private sale to the trust at any price, whether or not
30 less than par value, and shall be subject to redemption prior to
31 maturity at any times and at any prices as the trust and local
32 government units may agree. Each loan to a local government unit,
33 public water utility or any other person and the notes, bonds or
34 other obligations thereby issued shall bear interest at a rate or rates
35 per annum as the trust and the local government unit, public water
36 utility or any other person, as the case may be, may agree.

37 b. The trust is authorized to guarantee or contract to guarantee
38 the payment of all or any portion of the principal and interest on
39 bonds, notes or other obligations issued by a local government unit
40 to finance the cost of any wastewater treatment system project or
41 water supply project, which the local government unit may lawfully
42 undertake or acquire and for which the local government unit is
43 authorized by law to borrow money, and the guarantee shall
44 constitute an obligation of the trust for the purposes of P.L.1985,
45 c.334 (C.58:11B-1 et seq.) or P.L.1997, c.224 (C.58:11B-10.1 et
46 al.). Each guarantee by the trust and the terms and conditions
47 thereof shall be subject to approval by the State Treasurer, and the
48 trust shall make available to the State Treasurer all information,

1 statistical data and reports of independent consultants or experts as
2 the State Treasurer shall deem necessary in order to evaluate the
3 guarantee.

4 c. The trust shall not make or contract to make any loans or
5 guarantees to local government units, public water utilities or any
6 other person, or otherwise incur any additional indebtedness, on or
7 after ~~November 5, 2029~~ June 30, 2031.

8 d. Notwithstanding any provision of P.L.1985, c.334
9 (C.58:11B-1 et seq.) or P.L.1997, c.224 (C.58:11B-10.1 et al.) to
10 the contrary, the trust may receive funds from any source or issue
11 its bonds, notes or other obligations in any principal amounts as in
12 the judgment of the trust shall be necessary to provide sufficient
13 funds to finance or refinance short-term or temporary loans to local
14 government units, public water utilities or private persons for any
15 wastewater treatment system projects included on the project
16 priority list for the ensuing fiscal year and eligible for approval
17 pursuant to section 20 of P.L.1985, c.334 (C.58:11B-20) or water
18 supply projects included on the project priority list for the ensuing
19 fiscal year and eligible for approval pursuant to section 24 of
20 P.L.1997, c.224 (C.58:11B-20.1), as applicable, without regard to
21 any other provisions of P.L.1985, c.334 or P.L.1997, c.224,
22 including, without limitation, any administrative or legislative
23 approvals.

24 The trust shall create and establish a special fund (hereinafter
25 referred to as the "Interim Financing Program Fund") for the short-
26 term or temporary loan financing or refinancing program
27 (hereinafter referred to as the "Interim Financing Program").

28 Any short-term or temporary loans made by the trust pursuant to
29 this subsection may only be made in advance of the anticipated
30 loans the trust may make and contract to make under the provisions
31 of subsection a. of this section from any source of funds anticipated
32 to be received by the trust. The trust may make short-term or
33 temporary loans pursuant to the Interim Financing Program to any
34 one or more of the project sponsors, for the respective projects
35 thereof, identified in the interim financing project priority list
36 (hereinafter referred to as the "Interim Financing Program
37 Eligibility List") in the form provided to the Legislature by the
38 Commissioner of Environmental Protection.

39 Incremental revisions or supplements to the Interim Financing
40 Program Eligibility List may be submitted to the Legislature at any
41 time between January 15th and May 15th of each year.

42 The Interim Financing Program Eligibility List, including any
43 revision thereof or supplement thereto, shall be submitted to the
44 Legislature on or before June 30 of each year on a day when both
45 Houses are meeting. The President of the Senate and the Speaker of
46 the General Assembly shall cause the date of submission to be
47 entered upon the Senate Journal and the Minutes of the General
48 Assembly, respectively. Any environmental infrastructure project or

1 the project sponsor thereof not identified in the Interim Financing
2 Program Eligibility List shall not be eligible for a short-term or
3 temporary loan from the Interim Financing Program Fund.

4 (cf: P.L.2009, c.103, s.4)

5

6 3. This act shall take effect immediately.

7

8

9

STATEMENT

10

11 This bill would increase the statutory debt ceiling for the New
12 Jersey Environmental Infrastructure Trust from \$2.7 billion to \$2.8
13 billion. This bill also extends the statutory date after which the
14 New Jersey Environmental Infrastructure Trust may not incur any
15 additional indebtedness an additional 20 months to June 30, 2031.

ASSEMBLY APPROPRIATIONS COMMITTEE

STATEMENT TO

ASSEMBLY, No. 2929

STATE OF NEW JERSEY

DATED: JUNE 17, 2010

The Assembly Appropriations Committee reports favorably Assembly Bill No. 2929.

The bill increases the statutory debt ceiling for the New Jersey Environmental Infrastructure Trust from \$2.7 billion to \$2.8 billion. This bill also extends the statutory date after which the New Jersey Environmental Infrastructure Trust may not incur any additional indebtedness an additional 20 months to June 30, 2031. These changes are necessary to permit the program to proceed as developed by the Trust.

FISCAL IMPACT:

The bill increases the Trust's statutory debt ceiling of \$2.7 billion to \$2.8 billion and extends by 20 months in which indebtedness may occur for the financing program to proceed.

SENATE, No. 2004

STATE OF NEW JERSEY
214th LEGISLATURE

INTRODUCED MAY 27, 2010

Sponsored by:

Senator BOB SMITH

District 17 (Middlesex and Somerset)

SYNOPSIS

Makes certain changes to the New Jersey Environmental Infrastructure Trust Financing Program.

CURRENT VERSION OF TEXT

As introduced.



1 AN ACT concerning environmental infrastructure projects, and
2 amending P.L.1985, c.334.

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16 premiums on, any bonds, notes or other obligations issued by it,
17 whether the bonds, notes or other obligations or the interest or
18 redemption premiums thereon to be funded or refunded have or
19 have not become due, the establishment or increase of reserves or
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21 or interest thereon and all other costs or expenses of the trust
22 incident to and necessary to carry out its corporate purposes and
23 powers.

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25 trust are of a form and character as to be negotiable instruments
26 under the terms of Title 12A of the New Jersey Statutes, the bonds,
27 notes and other obligations are made negotiable instruments within
28 the meaning of and for the purposes of Title 12A of the New Jersey
29 Statutes, subject only to the provisions of the bonds, notes and other
30 obligations for registration.

31 c. Bonds, notes or other obligations of the trust shall be
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33 issued in one or more series and shall bear any date or dates, mature
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35 annum, be in any denomination or denominations, be in any form,
36 either coupon, registered or book entry, carry any conversion or
37 registration privileges, have any rank or priority, be executed in any
38 manner, be payable in any coin or currency of the United States
39 which at the time of payment is legal tender for the payment of
40 public and private debts, at any place or places within or without
41 the State, and be subject to any terms of redemption by the trust or
42 the holders thereof, with or without premium, as the resolution or
43 resolutions may provide. A resolution of the trust authorizing the
44 issuance of bonds, notes or other obligations may provide that the
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Matter underlined thus is new matter.

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2 rights, powers and duties in trust consistent with the provisions of
3 P.L.1985, c.334 (C.58:11B-1 et seq.) or P.L.1997, c.224 (C.58:11B-
4 10.1 et al.) as the trust may determine.

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6 any price or prices and in any manner as the trust may determine.
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8 later than 20 years from the effective date thereof, or the certified
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10 whichever is less.

11 All bonds of the trust shall be sold at such price or prices and in
12 such manner as the trust shall determine, after notice of sale, a
13 summary of which shall be published at least once in at least three
14 newspapers published in the State of New Jersey and at least once
15 in a publication carrying municipal bond notices and devoted
16 primarily to financial news published in New Jersey or the city of
17 New York, the first summary notice to be at least five days prior to
18 the day of bidding. The notice of sale may contain a provision to the
19 effect that any or all bids made in pursuance thereof may be
20 rejected. In the event of such rejection or of failure to receive any
21 acceptable bid, the trust, at any time within 60 days from the date of
22 such advertised sale, may sell such bonds at private sale upon terms
23 not less favorable to the State than the terms offered by any rejected
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32 other conditions or things, other than those consents, proceedings,
33 conditions or things which are specifically required by P.L.1985,
34 c.334 (C.58:11B-1 et seq.) or P.L.1997, c.224 (C.58:11B-10.1 et
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36 f. Bonds, notes or other obligations of the trust issued under
37 the provisions of P.L.1985, c.334 (C.58:11B-1 et seq.) or P.L.1997,
38 c.224 (C.58:11B-10.1 et al.) shall not be a debt or liability of the
39 State or of any political subdivision thereof other than the trust and
40 shall not create or constitute any indebtedness, liability or
41 obligation of the State or any political subdivision, but all these
42 bonds, notes and other obligations, unless funded or refunded by
43 bonds, notes or other obligations, shall be payable solely from
44 revenues or funds pledged or available for their payment as
45 authorized in P.L.1985, c.334 (C.58:11B-1 et seq.) or P.L.1997,
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47 contain on its face a statement to the effect that the trust is obligated
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S2004 B. SMITH

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3 c.224 (C.58:11B-10.1 et al.), and that neither the State, nor any
4 political subdivision thereof, is obligated to pay the principal or
5 interest and that neither the faith and credit nor the taxing power of
6 the State, or any political subdivision thereof, is pledged to the
7 payment of the principal of or the interest on the bonds, notes or
8 other obligations.

9 g. The aggregate principal amount of bonds, notes or other
10 obligations, including subordinated indebtedness of the trust, shall
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13 other obligations, including subordinated indebtedness of the trust,
14 which shall be issued for refunding purposes, whenever the
15 refunding shall be determined to result in a savings.

16 (1) Upon the decision by the trust to issue refunding bonds,
17 except for current refunding, and prior to the sale of those bonds,
18 the trust shall transmit to the Joint Budget Oversight Committee, or
19 its successor, a report that a decision has been made, reciting the
20 basis on which the decision was made, including an estimate of the
21 debt service savings to be achieved and the calculations upon which
22 the trust relied when making the decision to issue refunding bonds.
23 The report shall also disclose the intent of the trust to issue and sell
24 the refunding bonds at public or private sale and the reasons
25 therefor.

26 (2) The Joint Budget Oversight Committee or its successor shall
27 have the authority to approve or disapprove the sales of refunding
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29 paragraph (1) of this subsection. The committee shall notify the
30 trust in writing of the approval or disapproval within 30 days of
31 receipt of the report. Should the committee not act within 30 days
32 of receipt of the report, the trust may proceed with the sale of the
33 refunding bonds, provided that the sale of refunding bonds shall
34 realize not less than 3.00% net present value debt service savings.

35 (3) No refunding bonds shall be issued unless the report has
36 been submitted to and approved by the Joint Budget Oversight
37 Committee or its successor as set forth in paragraphs (1) and (2) of
38 this subsection.

39 (4) Within 30 days after the sale of the refunding bonds, the
40 trust shall notify the committee of the result of that sale, including
41 the prices and terms, conditions and regulations concerning the
42 refunding bonds, the actual amount of debt service savings to be
43 realized as a result of the sale of refunding bonds, and the intended
44 use of the proceeds from the sale of those bonds.

45 (5) The committee shall review all information and reports
46 submitted in accordance with this subsection and may, on its own
47 initiative, make observations to the trust, or to the Legislature, or
48 both, as it deems appropriate.

S2004 B. SMITH

1 h. Each issue of bonds, notes or other obligations of the trust
2 may, if it is determined by the trust, be general obligations thereof
3 payable out of any revenues, receipts or funds of the trust, or
4 special obligations thereof payable out of particular revenues,
5 receipts or funds, subject only to any agreements with the holders of
6 bonds, notes or other obligations, and may be secured by one or
7 more of the following:

8 (1) Pledge of revenues and other receipts to be derived from the
9 payment of the interest on and principal of notes, bonds or other
10 obligations issued to the trust by one or more local government
11 units, and any other payment made to the trust pursuant to
12 agreements with any local government units, or a pledge or
13 assignment of any notes, bonds or other obligations of any local
14 government unit and the rights and interest of the trust therein;

15 (2) Pledge of rentals, receipts and other revenues to be derived
16 from leases or other contractual arrangements with any person or
17 entity, public or private, including one or more local government
18 units, or a pledge or assignment of those leases or other contractual
19 arrangements and the rights and interest of the trust therein;

20 (3) Pledge of all moneys, funds, accounts, securities and other
21 funds, including the proceeds of the bonds, notes or other
22 obligations;

23 (4) Pledge of the receipts to be derived from the payments of
24 State aid, payable to the trust pursuant to section 12 of P.L.1985,
25 c.334 (C.58:11B-12);

26 (5) A mortgage on all or any part of the property, real or
27 personal, of the trust then owned or thereafter to be acquired, or a
28 pledge or assignment of mortgages made to the trust by any person
29 or entity, public or private, including one or more local government
30 units and the rights and interest of the trust therein.

31 i. The trust shall not issue any bonds, notes or other
32 obligations, or otherwise incur any additional indebtedness, on or
33 after **【November 5, 2029】** June 30, 2031.

34 j. (Deleted by amendment, P.L.1996, c.88).
35 (cf: P.L.2009, c.103, s.3)

36

37 2. Section 9 of P.L.1985, c.334 (C.58:11B-9) is amended to read
38 as follows:

39 9. a. (1) The trust may make and contract to make loans to local
40 government units, or to a local government unit on behalf of
41 another local government unit, in accordance with and subject to the
42 provisions of P.L.1985, c.334 (C.58:11B-1 et seq.) or P.L.1997,
43 c.224 (C.58:11B-10.1 et al.) to finance the cost of any wastewater
44 treatment system project or water supply project, which the local
45 government unit may lawfully undertake or acquire and for which
46 the local government unit is authorized by law to borrow money.

47 (2) The trust may make and contract to make loans to public
48 water utilities, or to any other person or local government unit on

S2004 B. SMITH

1 behalf of a public water utility, in accordance with and subject to
2 the provisions of P.L.1985, c.334 (C.58:11B-1 et seq.) or P.L.1997,
3 c.224 (C.58:11B-10.1 et al.) to finance the cost of any water supply
4 project, which the public water utility may lawfully undertake or
5 acquire.

6 (3) The trust may make and contract to make loans to private
7 persons other than local government units, or to any other person or
8 local government unit on behalf of a private person, in accordance
9 with and subject to the provisions of P.L.1985, c.334 (C.58:11B-1
10 et seq.) or P.L.1997, c.224 (C.58:11B-10.1 et al.) to finance the cost
11 of stormwater management systems.

12 The loans may be made subject to those terms and conditions as
13 the trust shall determine to be consistent with the purposes thereof.
14 Each loan by the trust and the terms and conditions thereof shall be
15 subject to approval by the State Treasurer, and the trust shall make
16 available to the State Treasurer all information, statistical data and
17 reports of independent consultants or experts as the State Treasurer
18 shall deem necessary in order to evaluate the loan. Each loan to a
19 local government unit, public water utility or any other person shall
20 be evidenced by notes, bonds or other obligations thereof issued to
21 the trust. In the case of each local government unit, notes and
22 bonds to be issued to the trust by the local government unit (1) shall
23 be authorized and issued as provided by law for the issuance of
24 notes and bonds by the local government unit, (2) shall be approved
25 by the Local Finance Board in the Division of Local Government
26 Services in the Department of Community Affairs, and (3)
27 notwithstanding the provisions of N.J.S.40A:2-27, N.J.S.40A:2-28
28 and N.J.S.40A:2-29 or any other provisions of law to the contrary,
29 may be sold at private sale to the trust at any price, whether or not
30 less than par value, and shall be subject to redemption prior to
31 maturity at any times and at any prices as the trust and local
32 government units may agree. Each loan to a local government unit,
33 public water utility or any other person and the notes, bonds or
34 other obligations thereby issued shall bear interest at a rate or rates
35 per annum as the trust and the local government unit, public water
36 utility or any other person, as the case may be, may agree.

37 b. The trust is authorized to guarantee or contract to guarantee
38 the payment of all or any portion of the principal and interest on
39 bonds, notes or other obligations issued by a local government unit
40 to finance the cost of any wastewater treatment system project or
41 water supply project, which the local government unit may lawfully
42 undertake or acquire and for which the local government unit is
43 authorized by law to borrow money, and the guarantee shall
44 constitute an obligation of the trust for the purposes of P.L.1985,
45 c.334 (C.58:11B-1 et seq.) or P.L.1997, c.224 (C.58:11B-10.1 et
46 al.). Each guarantee by the trust and the terms and conditions
47 thereof shall be subject to approval by the State Treasurer, and the
48 trust shall make available to the State Treasurer all information,

1 statistical data and reports of independent consultants or experts as
2 the State Treasurer shall deem necessary in order to evaluate the
3 guarantee.

4 c. The trust shall not make or contract to make any loans or
5 guarantees to local government units, public water utilities or any
6 other person, or otherwise incur any additional indebtedness, on or
7 after ~~【November 5, 2029】~~ June 30, 2031.

8 d. Notwithstanding any provision of P.L.1985, c.334
9 (C.58:11B-1 et seq.) or P.L.1997, c.224 (C.58:11B-10.1 et al.) to
10 the contrary, the trust may receive funds from any source or issue
11 its bonds, notes or other obligations in any principal amounts as in
12 the judgment of the trust shall be necessary to provide sufficient
13 funds to finance or refinance short-term or temporary loans to local
14 government units, public water utilities or private persons for any
15 wastewater treatment system projects included on the project
16 priority list for the ensuing fiscal year and eligible for approval
17 pursuant to section 20 of P.L.1985, c.334 (C.58:11B-20) or water
18 supply projects included on the project priority list for the ensuing
19 fiscal year and eligible for approval pursuant to section 24 of
20 P.L.1997, c.224 (C.58:11B-20.1), as applicable, without regard to
21 any other provisions of P.L.1985, c.334 or P.L.1997, c.224,
22 including, without limitation, any administrative or legislative
23 approvals.

24 The trust shall create and establish a special fund (hereinafter
25 referred to as the "Interim Financing Program Fund") for the short-
26 term or temporary loan financing or refinancing program
27 (hereinafter referred to as the "Interim Financing Program").

28 Any short-term or temporary loans made by the trust pursuant to
29 this subsection may only be made in advance of the anticipated
30 loans the trust may make and contract to make under the provisions
31 of subsection a. of this section from any source of funds anticipated
32 to be received by the trust. The trust may make short-term or
33 temporary loans pursuant to the Interim Financing Program to any
34 one or more of the project sponsors, for the respective projects
35 thereof, identified in the interim financing project priority list
36 (hereinafter referred to as the "Interim Financing Program
37 Eligibility List") in the form provided to the Legislature by the
38 Commissioner of Environmental Protection.

39 Incremental revisions or supplements to the Interim Financing
40 Program Eligibility List may be submitted to the Legislature at any
41 time between January 15th and May 15th of each year.

42 The Interim Financing Program Eligibility List, including any
43 revision thereof or supplement thereto, shall be submitted to the
44 Legislature on or before June 30 of each year on a day when both
45 Houses are meeting. The President of the Senate and the Speaker of
46 the General Assembly shall cause the date of submission to be
47 entered upon the Senate Journal and the Minutes of the General
48 Assembly, respectively. Any environmental infrastructure project or

S2004 B. SMITH

8

1 the project sponsor thereof not identified in the Interim Financing
2 Program Eligibility List shall not be eligible for a short-term or
3 temporary loan from the Interim Financing Program Fund.

4 (cf: P.L.2009, c.103, s.4)

5

6 3. This act shall take effect immediately.

7

8

9

STATEMENT

10

11 This bill would increase the statutory debt ceiling for the New
12 Jersey Environmental Infrastructure Trust from \$2.7 billion to \$2.8
13 billion. This bill also extends the statutory date after which the
14 New Jersey Environmental Infrastructure Trust may not incur any
15 additional indebtedness an additional 20 months to June 30, 2031.

SENATE BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO

SENATE, No. 2004

STATE OF NEW JERSEY

DATED: JUNE 21, 2010

The Senate Budget and Appropriations Committee reports favorably Senate Bill No. 2004.

The bill increases the statutory debt ceiling for the New Jersey Environmental Infrastructure Trust from \$2.7 billion to \$2.8 billion. This bill also extends the statutory date after which the New Jersey Environmental Infrastructure Trust may not incur any additional indebtedness an additional 20 months to June 30, 2031. These changes are necessary to permit the program to proceed as developed by the Trust.

FISCAL IMPACT:

The bill increases the Trust's statutory debt ceiling of \$2.7 billion to \$2.8 billion and extends by 20 months in which indebtedness may occur for the financing program to proceed.

Governor Chris Christie Signs Legislation to Promote Vital Clean Water and Environmental Protection Projects

Tuesday, August 31, 2010 Tags: [Energy and the Environment](#)

Trenton, NJ – Governor Chris Christie today continued his commitment to environmental protection and a strong and secure clean water infrastructure by signing legislation to appropriate \$821 million in no-cost and low-cost loans for crucial water and sewer infrastructure projects across the state. The financing, administered through the New Jersey Environmental Infrastructure Financing Program, will make available approximately \$549 million for clean water project loans and \$272 million for drinking water project loans, with the federal government picking up at least half of the cost.

Governor Christie signed the legislation today in Mount Olive, the site of the Musconetcong Sewerage Authority (MSA), which stands to receive \$2.5 million in zero percent and market rate loans. A majority of the MSA's funds will come from the federal government, with the remainder to be bonded through the Environmental Infrastructure Program.

"It is imperative that we maintain the integrity of the State's water supply and sewer systems, to protect the public health and ensure our continued commitment to the environment," said Governor Christie. "There is nothing more important to our residents."

"This is a vital tool in our effort to safeguard the public water supply," added Department of Environmental Protection Commissioner Bob Martin. "It fits right into the prime mission of the DEP: to protect the environment - our air, water, land, and natural resources and public health."

The infrastructure projects also will create hundreds of jobs throughout the state.

More than 75 applications from cities, towns, counties, authorities, utilities and private associations already are being considered this year for much-needed money for clean water and drinking water infrastructure projects, in a program that dates to the 1980s and has previously financed 749 projects totaling almost \$5 billion.

Successful applicants can get zero and low interest loans, at one-quarter or one-half the market rate, with no bond insurance required, no arbitrage concerns and no wait for funding or interest payments during construction, among other benefits.

In the case of the MSA, which operates a regional facility serving towns in Morris and Sussex counties, plus the International Trade Center in Mount Olive, the agency is in line to get two loans to improve the reliability, efficiency and safety of existing outdated sewage treatment systems, while upgrading its pumping stations.

The available money for all of the projects comes from a revolving loan program administered in part by the New Jersey Environmental Infrastructure Trust (EIT), an independent state financing authority. It provides loans to local governments for construction of wastewater treatment facilities, sludge management systems, plus sewer overflow, stormwater projects and non-point source pollution management projects.

It also offers loans to publicly and privately owned drinking water systems for the construction or upgrade of drinking water facilities, transmission and distribution systems, storage facilities, and source development.

Funds are made available under the federal Clean Water and Safe Drinking Water Acts and various state bond acts. The program provides zero percent interest rate loans to local government units from the State DEP for up to half the allowable project costs, and a market rate loan from the Trust for the remaining allowable costs.

For information about EIT and its financing programs, visit www.njeit.org

For a copy of the legislation (A-2928) and list of potential projects, visit njleg.state.nj.us

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